

Outdoor Cap Code of Conduct - Guidance for Suppliers

Outdoor Cap is founded on our core principles to act with integrity, treat others with respect and work together as a team. We hold these same expectations of our suppliers. Our Code of Conduct outlines our minimum requirements, which as a supplier to Outdoor Cap, is necessary to understand, agree and comply.

Workers should be provided conditions of employment that respect and safeguard their rights under national labor and international labor laws, social security laws and regulations, and the requirements in this Code.

Adoption Guidance for Suppliers

As a supplier to Outdoor cap, we not only expect you to understand, agree and comply with our code, we also expect you to implement management systems that support the code on a day-to-day basis and lead by example.

- **Leadership matters.** *Promote adoption of this code throughout your management organization, both at headquarters and in factory. This includes factory ownership taking an invested role in ensuring compliance with the code.*
- **Training matters.** *Provide ongoing and regular training to all management persons. Ensure management understands how day-to-day interactions with workers have an impact to our code.*
- **Educate the worker.** *Ensure a thorough orientation process for all workers, which includes a review of this code and how it applies to them. Provide continued and beneficial training for workers throughout employment.*
- **Model the code day to day.** *Expect all management, including floor management, to model the code in day-to-day operations.*
- **Be transparent with us, always.** *Communicate concerns or findings or us that present risk. It is better we work together.*
- **Cooperate and remediate.** *Work efficiently and openly with our compliance team and auditors we contract to assess the factory.*

Within each code requirement below, we have provided supplier guidance. This guidance is not all-inclusive but does provide important expectations and suggestions for you as a supplier to Outdoor Cap.

Respected

To our supplier: Respecting each worker as an individual is a requirement to do business with Outdoor Cap. We hold high expectations for ourselves and expect the same for your factory.

Employment is Voluntary

A worker should voluntarily agree to work. Forced labor, including involuntary, prison, indentured, coerced, bonded, trafficked or exploited labor or any other forms of forced labor is not allowed.

Supplier Guidance:

- **Never withhold a worker's identification or personal belongings for any reason.** Allow workers to maintain their identification and personal belongs on their person or in a secure location of their control.
- **Always permit a worker to freely exit** the factory or workplace for any reason.
- **Allow the worker to terminate employment** if desired.
- **Recruit workers through legal recruitment processes** at all times.
- **Educate Human Resources the importance of this code** requirement and how to listen, report and remediate if a concern is found.
- **Know your recruitment agencies.** If recruitment agencies are utilized, the factory's management is required to verify agencies follow this requirement. Require recruitment agencies to post this voluntary requirement in their offices and sign a compliance document understanding the need to comply.
- **Train your management to listen and report** if a potential involuntary employment concern is reported or known. Ensure Human Resources are trained to investigate and react to a concern. **Provide assistance to any worker if a concern is found.**

Workers are Age 16 or Older

All workers should be age 16 or older for the achievement of compulsory education, or country legal age, whichever is higher. Workers under 18 cannot be employed in hazardous conditions. Comply with all applicable laws, regulations, agreements and industry requirements related to the employment of young workers.

Supplier Guidance:

- **We strongly encourage our suppliers to employ workers a minimum age of 18.**

- If workers are employed under the age of 18, identify hazardous conditions in the factory and ensure factory management is trained to not allow work by any worker under the age of 18 in those areas.
- **Never allow a worker to begin any type of work without age verification**, even during busy production cycles.
- **Management practices should include age verification** documentation during the recruitment process and before confirming employment.
 - Where a medical record is needed to verify age, ensure the documents are provided from a legally approved medical provider.

Respect Freedom of Association and Collective Bargaining

Workers have the right to join, form or assist a trade union, or refrain from doing so, in accordance with applicable law and practice. Where the right to freedom of association and collective bargaining is restricted under law, the supplier allows the development of parallel means for independent and free association and bargaining.

Supplier Guidance:

- **Provide education and training to factory management about worker's rights** and the importance to respect their rights.
- **Ensure the factory has management processes to listen and respond** to workers suggestions and requests. Include this practice whether a union is present or not.
 - Establish protocols to **review and verify management responses and decisions are cooperative and respectful**.
 - **Communicate progress to workers to promote a workplace culture of listening and responding**.
- **Respect any legally required workers associations** and ensure the factory does not participate in restricting membership.
- **Participating or joining a union or association is the free will of the worker** and should not be encouraged or discouraged by factory management.

Harassment or Abuse is not Tolerated

Employees are to be treated with respect and dignity. Employees are not subject to any physical, sexual or psychological abuse, corporal punishment, verbal abuse or threatening behavior including when imposing discipline.

Supplier Guidance:

- **Establish and communicate a harassment and abuse communication channel** which a worker or manager should follow if they have or learn of a concern.
- **Provide regular training on the various types of harassment and abuse** and how to recognize, report and eliminate. Include relatable examples relevant to the factory's country and culture.
 - Deliver impactful training, which includes at a minimum a) onboarding a new worker b) at management promotion and c) targeted management and whole factory training annually.
 - Specifically **train on-floor factory management** about production target harassment or abuse and disciplinary harassment or abuse.
- **Educate and train Human Resources how to investigate a harassment or abuse concern**. Establish protocols for documentation and communicating to upper management. Establish expectations for Human Resources and management to investigate and respond to ANY concern thoroughly and swiftly.
 - **Train Human Resources to watch and listen** for harassment or abuse that may be present but not reported in the factory.

Employment Relationship and Contract

Work is performed based on recognized employment relationship established through the country's laws and practices. All work should be conducted in the factory and not at home. All workers, including migrant workers, young workers and women must be provided an understandable and accurate employment contract in their native language. Migrant workers should be provided their contract prior to departure from their home. Worker eligibility is verified before beginning employment.

Supplier Guidance:

- **Ensure your management protocols include legal and understandable employment agreements**, in the worker's native language.
- **Do not allow a quick sign process** - where workers sign contracts and begin work immediately.
- **Allow a worker time to take a contract and review** before signing.
 - Ensure the worker is able to read any contracts or information related to their employment. Allow workers gain reading assistance of their own choosing, if needed.
- **Never allow work to be performed at home**, including small handiwork or during heavy production cycles.

Discrimination is Not Allowed

We respect the dignity of all workers who make our products. Workers are not subject to discrimination in employment including hiring, compensation, promotion or discipline on the basis of gender, race, religion, age, disability, sexual orientation, pregnancy, marital status, nationality, political opinion, trade union affiliation, social or ethnic origin or any other status protected by country law. Women and men shall receive equal pay for work of equal value.

Supplier Guidance:

- **Provide regular training on the various types of discrimination** and how to recognize. Include examples relevant to the factory's country and culture.
- **Implement a zero-tolerance discrimination training**, which includes at a minimum, during onboarding a new worker, at management promotion and separate management and whole factory training annually.
- **Establish expectations for Human Resources and management investigate and respond to ANY concern thoroughly and swiftly.** Educate and train Human Resources how to investigate a discrimination concern. Establish protocols for documentation and communicating findings and resolutions to upper management.
- **Establish a discrimination communication channel** which a worker or manager should follow if they have or learn of a concern.
- **Train and educate Human Resources and management that discrimination in the hiring process is not allowed.** Reinforce this training often.
- **Train Human Resources to watch and listen** for discrimination that may be present but not reported in the factory.
- Specifically train on-floor factory management about **equality in production targets and worker skill level progression.**

Reporting Process Without Retaliation

Workers have a clear understanding of how they can report a concern to supervisor, management or Outdoor Cap. Supervisors and Managers are expected to listen and respond to concerns and remediate confirmed concerns, all through professional management practices. Outdoor Cap does not tolerate any form of retaliation against anyone who in good faith reports possible violations of the law or Code of Conduct.

Supplier Guidance:

- **In all aspects of this code, train management and Human Resources that a worker has the right to report a workplace concern without fear of retaliation.** Examples of fear of retaliation are:
 - Fear of demotion or job loss
 - Fear of work duties change
 - Fear of unequal treatment
 - Fear of harassment or abuse
- **Identify and train what retaliation can look like.** Train Human Resources and management how to respond to a report professionally. Establish written protocols for documenting, responding, and acting to a report.
- **Never ignore a report or concern from a worker.** Never assume by remaining silent it will not be reported to others.
- Specifically **train on-floor factory management about identifying when a worker is communicating a concern, even informal**, and how to communicate with the worker about the concern.

Fair

To our supplier: A business has a responsibility to operate with integrity and provide fairness to all workers. We expect this of ourselves and expect this of our suppliers.

Working Hours are Not Excessive

No worker shall work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Workers must be provided at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers will not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.

Supplier Guidance:

- **Plan production that predicts order flow.** Plan for peak seasons and rush orders to minimize the need for overtime.
- Ensure all management knows that **7 days working within a week is never allowed.**
- Train management how to **gather worker approval to any needed overtime.** Never announce or suggest mandatory or required overtime. Establish written process for workers to agree to overtime.
- **Ensure Human Resources has a reliable means to document overtime and calculate payment rate.** An electronic timekeeping system is best. Employees should clock in and out themselves.
- **Never maintain dual records for time worked.**

Freedom of Movement

Workers should have freedom of movement by virtue of debts owed to you, brokers, or other third parties that cannot be reasonably repaid and allow workers to terminate employment with reasonable notice. Personal identity documents or other valuable possessions are to always remain in the possession of the worker at all times and never be held by the factory.

Supplier Guidance:

- **Do not have practices where workers are in debt to your factory for any reason whatsoever.** Do not agree to repay debt to another party on behalf of the worker.
- **Never withhold a worker's identification or personal belongings for any reason.** Allow workers to maintain their identification and personal belongs on their person or in a secure location of their control.
- **Establish, communicate, and follow a termination protocol** (including notice period) to all workers at orientation. Ensure this protocol is practiced day-to-day by Human Resources and management.

Compensation is Legal and Timely Paid

Workers should be provided compensation, benefits, working hours, breaks, rest days, holidays and leave that comply with legal requirements and applicable agreements. Every worker, male or female, has a right to compensation for a regular work week that is sufficient to meet employees' basic needs and provide some discretionary income. Workers are timely paid at least the minimum wage required by country law, or prevailing wage, whichever is higher, and provided legally mandated benefits, including holidays and leaves, and statutory severance when employment ends.

Supplier Guidance:

- **Always follow a regular and timely payment schedule.** Do not pay on different days or alter the schedule. Workers should have a reliable schedule for compensation.
- **Where piece pay is legal and implemented, ensure processes are in place to meet or exceed minimum wage.**
- **Where worker grades or skill levels are legal and practiced, ensure a skill assessment and grading protocol is in place that meets requirements and is followed consistently throughout the factory.**
- Wage and benefit laws change. **Ensure proper training with of Human Resources to remain current and follow laws.**
- **Understand national and local benefits** and legally provide these to all workers. Do not accept a worker declining a benefit unless they can legally decline.

Illegal or Excessive Wage Deductions Not Allowed

There are never disciplinary deductions from pay. Illegal or excessive wage deductions, withheld wages, delay in wage payments or irregular payments of wages is not allowed.

Supplier Guidance:

- **Earned wages are the right of the worker to receive.** Train management and Human Resources so there is an understanding of this important fact.
- **Train Human Resources and management to know how to report and remediate** if they are asked to make a wage deduction.
- **Ensure management listens if a worker does report a concern with wage deductions.**
- **Threatening to withhold wages or make illegal or excessive deductions should never be permitted.** A threat is an unfair act.

Safe

To our supplier: Operating a safe factory is a must. Ensuring factory workers conduct their work in a safe building and environment is a responsibility that cannot be ignored. We hold these same expectations of ourselves and expect this of our suppliers.

Fire and Emergency Safety

Fire prevention and emergency action plans to protect workers during working hours and emergency situations are in place. Alarm systems to notify workers of emergencies, safe exit routes and safe shelter locations when workers are required to leave and safe shelter locations when workers are required to remain in the building during emergencies.

Supplier Guidance:

- **Identify and plan for potential emergency risks** related to your factory or geographical location. Examples: Typhoon or earthquakes.
- **Work closely with local fire, rescue and emergency organizations** to plan fire and emergency safety protocols. Ensure protocols are specific to the factory and include visual designs, exit maps, etc. to easily communicate what any worker is to do in a fire and/or other emergency situation.
- **Establish factory persons with dedicated responsibility to fire and emergency safety** for all workers. Ensure training occurs regularly and frequently.
- **Include fire and emergency safety training at new worker orientation.** Train management, including on floor management, their responsibility in a fire and/or other emergency situation.

Safe, Healthy and Hygienic Work Environment

Workers are provided a safe, healthy and sanitary workplace and necessary steps are taken to prevent accidents and injury to health occurring in course of work or as a result of the operation of employer's facilities. The factory has systems to detect, avoid, and respond to potential risks to the safety of all workers. Facilities including residential, dining and childcare are safe, hygienic and healthy and adhere to applicable country laws.

Supplier Guidance:

- **Conduct regular risk and health assessments throughout the factory.**
- **Ensure the factory has person/s with dedicated responsibility to understand, enact and audit health and safety at the factory.** Maintain regular training for these person/s.
- **Include fire and emergency safety training at new worker orientation.**

- **Train management, including on floor management, their responsibility in a fire and/or other emergency situation.**
- **Create a health and safety committee representing all areas of the factory** to share concerns about health and safety. Ensure these persons maintain regular health and safety training for workers throughout the factory.

Building Safety

The workplace building and load bearing structures are constructed according to the laws of the manufacturing country, certified civil or structural engineering construction approvals or international standards. Multi-use occupancies are not allowed.

Supplier Guidance:

- **Take responsibility to understand and follow all legal building safety requirements.** Utilize experts in the field of civil and structural safety to assess risk and guide compliance.
- **Codes and safety requirements can change.** Adopt an approach to assess risk on a regular basis to remain current.

To report a concern, contact Outdoor Cap by email compliance@outdoorcap.com